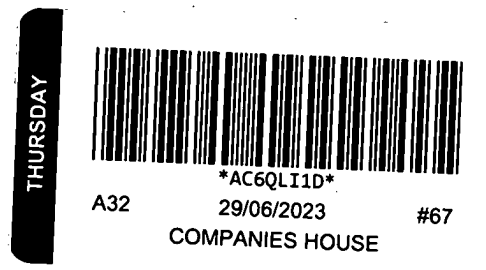


Kamluck Holdings Limited
Financial Statements
30 September 2022



XEINADIN AUDIT LIMITED

Statutory auditor
15-19 Cavendish Place
London
W1G 0DD

Kamluck Holdings Limited

Financial Statements

Year ended 30 September 2022

Contents	Page
Strategic report	1
Directors' report	4
Independent auditor's report to the members	6
Consolidated statement of income and retained earnings	11
Company statement of income and retained earnings	12
Consolidated statement of financial position	13
Company statement of financial position	14
Consolidated statement of cash flows	15
Notes to the financial statements	16

Kamluck Holdings Limited

Strategic Report *(continued)*

Year ended 30 September 2022

Review of the business

During the year to 30th September 2022 materials price inflation was rampant and this in turn impacted demand resulting in reduced volumes sold. Due to the multiple price rises and variability by product it is not possible to determine with accuracy the percentage reduction in volume. However, with measured price increases being passed onto to customers relative to the competition a balance was achieved whereby management with the support of its dedicated staff managed to increase the total sales value by 2.49% as compared with year ended 30th September 2021 despite the reduced demand.

The gross profit margin increased from 19.00% to 20.25% during the year. Inflation also impacted administrative costs significantly, however these were offset by the small increase in gross margin and sales value, consequently, the profit before taxation increased from £3,711,829 to £3,868,509.

Financial key performance indicators

The company maintains several key performance indicators in respect of cash flow, sales growth, gross margin, and profitability.

Principal Risks and uncertainties

The company's operational activities expose it to numerous potential financial risks and uncertainties which may affect the performance of the company. These are reviewed regularly by the directors. The key risks are as follows:

Price risk

The company will continue to be affected by supplier price increases which continue to occur more frequently and at higher levels due to materials shortages in the market. Further additional price rises are expected next year due to the withdrawal of the government diesel subsidy and the introduction of plastics taxes. The company is expecting to ensure that suppliers of plastic materials meet the recycling requirements to eliminate the impact of the tax. Further the company expects to pass on any taxation or governmental actioned costs directly to customers. The directors are of the opinion that adherence to the company's purchasing policies, regular review and communication with major suppliers and negotiating where possible forward price increases mitigates this risk as far as possible.

Credit risk

There is a risk of bad debts in the normal course of trading. The company operates practices to minimise this risk. All customers who wish to trade on credit terms are subject to credit verification procedures. Receivable balances are monitored closely on an ongoing basis and trade insurance policies are maintained where required and if available. Customer credit ratings are monitored using credit agencies and regular updates from our trade insurers.

Liquidity risk

The group has bank and cash balances of £2,467,002 (2021: £8,287,826). The directors are confident that the funding structure is sufficient for trading operations, Capex expenditure and any future expansion.

Kamluck Holdings Limited

Strategic Report *(continued)*

Year ended 30 September 2022

Market Risk

The company mitigates the risks that arise through competitive pressures by offering a service that is of high quality, through well trained staff, as well as competitively priced goods. The development of strong client relationships is actively pursued to maintain a strong loyal customer base. Any risks associated with Brexit continue to be monitored, the company does not supply directly to the European market and has negligible direct exposure on the supply side, there is still some indirect exposure where the overall market is affected by for example a shortage of skilled workers. Further the supply side is currently affected by shortages of materials in particular cement because of the effects of the pandemic and global events. The directors continually explore all alternatives and new suppliers where there are shortages and are confident that they will be able to source materials sufficient to meet materially the company's operational capacity. Action will be taken as necessary to vary sales product mixes should this be required.

Coronavirus Risk

The risk from this area following the vaccination programme has receded significantly. Never the less should new variants appear or new government guidelines be issued the company has in place staff who can promptly take action. This was demonstrated during the pandemic lockdowns where due to the nature of the products supplied, methods of operation, customer base and the full support of the dedicated staff the company managed to operate at full capacity, this ability remains in place.

Health & Safety Risk

The company treats the health and safety of its staff and others with the high priority that it deserves. There are dedicated health and safety staff, who along with external expert consultants continually monitor and update training of staff and workers and make procedural changes as required to best meet regulatory requirements. Further the company maintains appropriate employer and public liability insurances. Even though the company meets its regulatory obligations and is continuously active in this area, only foreseeable events can be pre-empted. Inevitably there will be rare occasions where individuals take unorthodox unforeseeable actions despite having full training and experience and accidents may occur, should accidents occur in these circumstances urgent investigation and action is always undertaken to ensure that the risk of re-occurrence of the same event is minimised as far as is possible.

Outlook

There are significant challenges in the current market particularly due to the current materials shortages, inflationary pressures and high interest rates. Inflation is expected to come down with effective action from the government and bank of England. It is difficult to predict whether these actions will lead to a recession. The company's fortunes are of course tied to the greater economy and the long-term effects of the pandemic and global events which also remain. Currently the company is still optimistic and experiencing steady demand and hopes to maintain materially its turnover.

The company is committed to being proactive in protecting its market and supply chain, with a focus on continuing to provide an exemplary service to its customers.

Kamluck Holdings Limited

Strategic Report *(continued)*

Year ended 30 September 2022

This report was approved by the board of directors on 28 June 2023 and signed on behalf of the board by:



Lakhbir Singh Gill
Director

Registered office:
Botany Marsh, Lower Road
Northfleet
Kent
England
DA11 9BB

Kamluck Holdings Limited

Directors' Report

Year ended 30 September 2022

The directors present their report and the financial statements of the group for the year ended 30 September 2022.

Directors

The directors who served the company during the year were as follows:

Kamaljit Gill
Lukhbir Singh Gill

Dividends

The directors do not recommend the payment of a dividend.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and the profit or loss of the group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the group and the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the group and the company's auditor is aware of that information.

Kamluck Holdings Limited

Directors' Report *(continued)*

Year ended 30 September 2022

This report was approved by the board of directors on 28 June 2023 and signed on behalf of the board by:



Lukhbir Singh Gill
Director

Registered office:
Botany Marsh, Lower Road
Northfleet
Kent
England
DA11 9BB

Kamluck Holdings Limited

Independent Auditor's Report to the Members of Kamluck Holdings Limited

Year ended 30 September 2022

Opinion

We have audited the financial statements of Kamluck Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 September 2022 which comprise the consolidated statement of income and retained earnings, company statement of income and retained earnings, consolidated statement of financial position, company statement of financial position, consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 September 2022 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Kamluck Holdings Limited

Independent Auditor's Report to the Members of Kamluck Holdings Limited (continued)

Year ended 30 September 2022

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Kamluck Holdings Limited

Independent Auditor's Report to the Members of Kamluck Holdings Limited (continued)

Year ended 30 September 2022

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

As part of designing our audit, we determined the materiality level and assessed the risks of material misstatement in the financial statements, including how fraud may occur by enquiring of management of its own consideration of fraud. In particular, we looked at where management made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. We also considered potential financial or other pressures, opportunity and motivations for fraud. As part of this discussion, we identified the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations and how management monitor these processes. Appropriate procedures included the review and testing of manual journals and key estimates and judgements made by management.

We did not identify any key audit matters relating to irregularities, including fraud. As in all of our audits, we also addressed the risk of management override of internal controls including testing journals and evaluation whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

Kamluck Holdings Limited

Independent Auditor's Report to the Members of Kamluck Holdings Limited

(continued)

Year ended 30 September 2022

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Councils website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Kamluck Holdings Limited

Independent Auditor's Report to the Members of Kamluck Holdings Limited (continued)

Year ended 30 September 2022

Use of our report

This report is made solely to the company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Narendrakumar Mistry FCA (Senior Statutory Auditor)

For and on behalf of
Xeinadin Audit Limited
Statutory Auditors
15-19 Cavendish Place
London
W1G 0DD

28 June 2023

Kamluck Holdings Limited

Consolidated Statement of Income and Retained Earnings

Year ended 30 September 2022

	Note	2022 £	2021 £
Turnover	4	32,326,978	31,540,232
Cost of sales		25,779,857	25,546,039
Gross profit		6,547,121	5,994,193
Administrative expenses		2,851,052	2,439,684
Operating profit	5	3,696,069	3,554,509
Other interest receivable and similar income	9	194,604	172,294
Interest payable and similar expenses	10	22,164	14,974
Profit before taxation		3,868,509	3,711,829
Tax on profit	11	790,458	636,918
Profit for the financial year and total comprehensive income		3,078,051	3,074,911
Retained earnings at the start of the year		15,036,087	11,961,176
Retained earnings at the end of the year		18,114,138	15,036,087

All the activities of the group are from continuing operations.

The notes on pages 16 to 27 form part of these financial statements.

Kamluck Holdings Limited

Company Statement of Income and Retained Earnings

Year ended 30 September 2022

	Note	2022 £	2021 £
Profit for the financial year and total comprehensive income		2,874,326	3,080,064
Retained earnings at the start of the year		<u>9,086,439</u>	<u>3,000,000</u>
Retained earnings at the end of the year		<u>11,960,765</u>	<u>6,080,064</u>

The notes on pages 16 to 27 form part of these financial statements.

Kamluck Holdings Limited

Consolidated Statement of Financial Position

30 September 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	12	2,902,511	1,988,880
Investments	13	2,819,025	—
Current assets			
Stocks	14	1,152,724	1,041,751
Debtors	15	17,819,786	10,836,995
Cash at bank and in hand		2,467,002	8,287,826
		<u>21,439,512</u>	<u>20,166,572</u>
Creditors: amounts falling due within one year	16	<u>7,368,597</u>	<u>6,794,738</u>
Net current assets		<u>14,070,915</u>	<u>13,371,834</u>
Total assets less current liabilities		<u>19,792,451</u>	<u>15,360,714</u>
Creditors: amounts falling due after more than one year	17	1,129,818	174,791
Provisions	19	548,491	149,832
Net assets		<u>18,114,142</u>	<u>15,036,091</u>
Capital and reserves			
Called up share capital	22	4	4
Profit and loss account		<u>18,114,138</u>	<u>15,036,087</u>
Shareholders funds		<u>18,114,142</u>	<u>15,036,091</u>

These financial statements were approved by the board of directors and authorised for issue on 28 June 2023, and are signed on behalf of the board by:



Lukhbir Singh Gill
Director

Company registration number: 11990861

The notes on pages 16 to 27 form part of these financial statements.

Kamluck Holdings Limited

Company Statement of Financial Position

30 September 2022

	Note	2022 £	2021 £
Fixed assets			
Investments	13	2,819,027	2
Current assets			
Debtors	15	11,066,654	4,513,119
Cash at bank and in hand		24,818	5,698,279
		<u>11,091,472</u>	<u>10,211,398</u>
Creditors: amounts falling due within one year	16	<u>1,949,730</u>	<u>1,124,957</u>
Net current assets		<u>11,960,769</u>	<u>9,086,441</u>
Total assets less current liabilities		<u>11,960,769</u>	<u>9,086,443</u>
Capital and reserves			
Called up share capital	22	4	4
Profit and loss account		<u>11,960,765</u>	<u>9,086,439</u>
Shareholders funds		<u>11,960,769</u>	<u>9,086,443</u>

The profit for the financial year of the parent company was £2,874,326 (2021: £3,006,375).

These financial statements were approved by the board of directors and authorised for issue on 28 June 2023, and are signed on behalf of the board by:



Lukhbir Singh Gill
Director

Company registration number: 11990861

The notes on pages 16 to 27 form part of these financial statements.

Kamluck Holdings Limited

Consolidated Statement of Cash Flows

Year ended 30 September 2022

	2022 £	2021 £
Cash flows from operating activities		
Profit for the financial year	3,078,051	3,074,911
<i>Adjustments for:</i>		
Depreciation of tangible assets	599,943	524,385
Other interest receivable and similar income	(194,604)	(172,294)
Interest payable and similar expenses	22,164	14,974
(Gains)/loss on disposal of tangible assets	(28,692)	(7,976)
Tax on profit	790,458	636,918
Accrued expenses	(34,295)	5,173
<i>Changes in:</i>		
Stocks	(110,973)	(485,387)
Trade and other debtors	(6,982,791)	456,655
Trade and other creditors	681,499	(42,741)
Provisions and employee benefits	488	(24,087)
Cash generated from operations	(2,178,752)	3,980,531
Interest paid	(22,164)	(14,974)
Interest received	194,604	172,294
Tax paid	(512,628)	(848,938)
Net cash from operating activities	<u>(2,518,940)</u>	<u>3,288,913</u>
Cash flows from investing activities		
Purchase of tangible assets	(1,595,510)	(808,264)
Proceeds from sale of tangible assets	110,628	51,485
Purchase of shares	(2,819,025)	—
Net cash used in investing activities	<u>(4,303,907)</u>	<u>(756,779)</u>
Cash flows from financing activities		
Payments of finance lease liabilities	1,002,023	(272,828)
Net cash used in financing activities	<u>1,002,023</u>	<u>(272,828)</u>
Net increase in cash and cash equivalents	(5,820,824)	2,259,306
Cash and cash equivalents at beginning of year	<u>8,287,826</u>	<u>6,028,520</u>
Cash and cash equivalents at end of year	<u>2,467,002</u>	<u>8,287,826</u>

The notes on pages 16 to 27 form part of these financial statements.

Kamluck Holdings Limited

Notes to the Financial Statements

Year ended 30 September 2022

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Botany Marsh, Lower Road, Northfleet, Kent, DA11 9BB, England.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Disclosure exemptions

The parent company satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following reduced disclosures available under FRS 102:

- (a) Disclosures in respect of each class of share capital have not been presented.
- (b) No cash flow statement has been presented for the company.
- (c) Disclosures in respect of financial instruments have not been presented.
- (d) No disclosure has been given for the aggregate remuneration of key management personnel.

Consolidation

The financial statements consolidate the financial statements of Kamluck Holdings Limited and all of its subsidiary undertakings.

The results of subsidiaries acquired or disposed of during the year are included from or to the date that control passes.

The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not presented its individual profit and loss account.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on delivery of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Kamluck Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2022

3. Accounting policies *(continued)*

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Long leasehold property	- 33% straight line
Plant and machinery	- 25% reducing balance
Fixtures and fittings	- 25% reducing balance

Kamluck Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2022

3. Accounting policies *(continued)*

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Investments in associates

Investments in associates are accounted for using the equity method of accounting, whereby the investment is initially recognised at the transaction price and subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate.

Investments in joint ventures

Investments in joint ventures are accounted for using the equity method of accounting, whereby the investment is initially recognised at the transaction price and subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the joint venture.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Kamluck Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2022

3. Accounting policies *(continued)*

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Kamluck Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2022

3. Accounting policies *(continued)*

Financial instruments *(continued)*

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Turnover

Turnover arises from:

	2022	2021
	£	£
Sale of goods	<u>32,326,978</u>	<u>31,540,232</u>

The whole of the turnover is attributable to the principal activity of the group wholly undertaken in the United Kingdom.

5. Operating profit

Operating profit or loss is stated after charging/crediting:

	2022	2021
	£	£
Depreciation of tangible assets	599,943	524,385
(Gains)/loss on disposal of tangible assets	(28,692)	(7,976)
Impairment of trade debtors	5,767	24
Foreign exchange differences	<u>(28,396)</u>	<u>(774)</u>

Kamluck Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2022

6. Auditor's remuneration

	2022 £	2021 £
Fees payable for the audit of the financial statements	<u>12,000</u>	<u>12,000</u>

7. Staff costs

The average number of persons employed by the group during the year, including the directors, amounted to:

	2022 No.	2021 No.
Production staff	7	5
Administrative staff	<u>25</u>	<u>25</u>
	<u>32</u>	<u>30</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2022 £	2021 £
Wages and salaries	1,033,477	956,093
Social security costs	112,844	98,022
Other pension costs	<u>16,150</u>	<u>16,194</u>
	<u>1,162,471</u>	<u>1,070,309</u>

8. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2022 £	2021 £
Remuneration	<u>155,932</u>	<u>41,305</u>

9. Other interest receivable and similar income

	2022 £	2021 £
Interest on bank deposits	37,491	35,797
Other interest receivable and similar income	<u>157,113</u>	<u>136,497</u>
	<u>194,604</u>	<u>172,294</u>

10. Interest payable and similar expenses

	2022 £	2021 £
Interest on obligations under finance leases and hire purchase contracts	<u>22,164</u>	<u>14,974</u>

Kamluck Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2022

11. Tax on profit

Major components of tax expense

	2022 £	2021 £
Current tax:		
UK current tax expense	392,286	605,955
Deferred tax:		
Origination and reversal of timing differences	398,172	30,963
Tax on profit	<u>790,458</u>	<u>636,918</u>

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is lower than (2021: higher than) the standard rate of corporation tax in the UK of 19% (2021: 19%).

	2022 £	2021 £
Profit on ordinary activities before taxation	<u>3,868,509</u>	<u>3,711,829</u>
Profit on ordinary activities by rate of tax	735,017	705,248
Effect of expenses not deductible for tax purposes	1,508	153
Effect of capital allowances and depreciation	(313,372)	(95,171)
Deferred tax	398,172	30,963
Remediation relief	–	(4,275)
Adjustment for previous periods	<u>(30,867)</u>	<u>–</u>
Tax on profit	<u>790,458</u>	<u>636,918</u>

Kamluck Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2022

12. Tangible assets

Group	Long leasehold property £	Plant and machinery £	Fixtures and fittings £	Total £
Cost				
At 1 October 2021	729,729	3,820,400	132,110	4,682,239
Additions	—	1,573,237	22,273	1,595,510
Disposals	—	(257,176)	—	(257,176)
At 30 September 2022	729,729	5,136,461	154,383	6,020,573
Depreciation				
At 1 October 2021	687,574	1,920,346	85,439	2,693,359
Charge for the year	17,377	567,005	15,561	599,943
Disposals	—	(175,240)	—	(175,240)
At 30 September 2022	704,591	2,312,111	101,000	3,118,062
Carrying amount				
At 30 September 2022	24,778	2,824,350	53,383	2,902,511
At 30 September 2021	42,155	1,900,054	46,671	1,988,880

The company has no tangible assets.

13. Investments

The group has no investments.

Company	Shares in group undertakings £
Cost	
At 1 October 2021	2
Additions	2,819,025
At 30 September 2022	2,819,027
Impairment	
At 1 October 2021 and 30 September 2022	—
Carrying amount	
At 30 September 2022	2,819,027
At 30 September 2021	2

Kamluck Holdings Limited

Notes to the Financial Statements (continued)

Year ended 30 September 2022

13. Investments (continued)

Subsidiaries, associates and other investments

Details of the investments in which the parent company has an interest of 20% or more are as follows:

	Registered office	Class of share	Percentage of shares held
Subsidiary undertakings			
Gill Aggregates Limited	Botany Marsh, Lower Road Northfleet Kent DA11 9BB	Ordinary	100
Associate undertaking			
Build Bloc Limited	Botany Marsh, Lower Road Northfleet Kent DA11 9BB	Ordinary	24.8

14. Stocks

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Finished goods and goods for resale	<u>1,152,724</u>	<u>1,041,751</u>	<u>—</u>	<u>—</u>

15. Debtors

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Trade debtors	6,053,215	5,593,650	—	—
Amounts owed by group undertakings	—	—	—	—
Prepayments and accrued income	381,014	338,887	—	—
Other debtors	<u>11,385,557</u>	<u>4,904,458</u>	<u>11,066,654</u>	<u>4,513,119</u>
	<u>17,819,786</u>	<u>10,836,995</u>	<u>11,066,654</u>	<u>4,513,119</u>

16. Creditors: amounts falling due within one year

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Trade creditors	4,496,174	4,433,321	—	—
Amounts owed to group undertakings	—	—	1,469,739	1,099,998
Accruals and deferred income	315,588	349,883	—	—
Corporation tax	110,663	230,954	29,172	24,959
Social security and other taxes	300,832	231,400	—	—
Obligations under finance leases and hire purchase contracts	287,026	240,030	—	—
Other creditors	<u>1,858,314</u>	<u>1,309,150</u>	<u>450,819</u>	<u>—</u>
	<u>7,368,597</u>	<u>6,794,738</u>	<u>1,949,730</u>	<u>1,124,957</u>

Kamluck Holdings Limited

Notes to the Financial Statements (continued)

Year ended 30 September 2022

17. Creditors: amounts falling due after more than one year

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Obligations under finance leases and hire purchase contracts	<u>1,129,818</u>	<u>174,791</u>	<u>—</u>	<u>—</u>

18. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Not later than 1 year	287,026	240,030	—	—
Later than 1 year and not later than 5 years	<u>1,129,818</u>	<u>174,791</u>	<u>—</u>	<u>—</u>
	<u>1,416,844</u>	<u>414,821</u>	<u>—</u>	<u>—</u>

19. Provisions

Group	Deferred tax (note 20)	User defined class 1	Total
	£	£	£
At 1 October 2021	145,555	4,277	149,832
Additions	<u>398,172</u>	<u>488</u>	<u>398,660</u>
At 30 September 2022	<u>543,726</u>	<u>4,765</u>	<u>548,491</u>

The company does not have any provisions.

20. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Included in provisions (note 19)	<u>543,726</u>	<u>145,555</u>	<u>—</u>	<u>—</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Accelerated capital allowances	<u>543,726</u>	<u>145,555</u>	<u>—</u>	<u>—</u>

Kamluck Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2022

21. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £16,150 (2021: £16,194).

22. Called up share capital

Issued, called up and fully paid

	2022		2021	
	No.	£	No.	£
Ordinary shares of £1 each	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>

23. Analysis of changes in net debt

	At 1 Oct 2021	Cash flows	At 30 Sep 2022
	£	£	£
Cash at bank and in hand	8,287,826	(5,820,824)	2,467,002
Debt due within one year	(240,030)	(46,996)	(287,026)
Debt due after one year	<u>(174,791)</u>	<u>(955,027)</u>	<u>(1,129,818)</u>
	<u>7,873,005</u>	<u>(6,822,847)</u>	<u>1,050,158</u>

24. Related party transactions

Group

The director, Lukhbir Singh Gill, is also a director of Gill Aggregates (Holdings) Limited, which charged rental for premises during the year to the value of £465,433 (2021 - £382,000).

At the year-end Kamluck Holdings Limited owed its subsidiary company, Gill Aggregates Limited, £1,469,739 (2021 - £1,100,000).

25. Controlling party

The company is jointly controlled by Mr Lukhbir Singh Gill and Mrs Kamaljit Gill, by virtue of each of them holding 50% of the issued share capital.

26. Financial instruments

Barclays Bank Plc. hold three charges (created 31/01/2014, 20/06/2014 and 10/08/2022), both fixed and floating, covering all the property or undertaking of Gill Aggregates Limited. An unlimited guarantee (dated 20/06/2014) was given to Barclays Bank Plc by Gill Aggregates (Holdings) Limited for Gill Aggregates Limited. The charge dated 10/08/2022 contains a negative pledge.

Kamluck Holdings Limited

Notes to the Financial Statements *(continued)*

Year ended 30 September 2022

27. Contingent assets and liabilities

The subsidiary company, Gill Aggregates Limited, entered into guarantee arrangements with some suppliers of Build Bloc Limited, a company which Kamluck Holdings Limited holds an associated shareholding in.